



State of Washington
Transportation Improvement Board

Exchanging Federal Funds for State Funds in non-Certification Acceptance Agencies

What is a Certification Acceptance?

Certification Acceptance (CA) is a process of approving a public agency to utilize federal funds. Direct use of federal funds requires in-house functions and capabilities that small agencies cannot provide. Non-CA agencies using federal transportation funds must obtain CA services from a certified municipality, county, or the Washington State Department of Transportation (WSDOT).

How does de-federalization help the small agency project?

The Washington State Transportation Improvement Board (TIB) supports the exchange of federal transportation funds for state funds, particularly for non-CA agencies. Such an exchange de-federalizes the project, eliminating potentially unnecessary and costly process requirements when using federal funds. Use of federal funds also requires specific studies, reports, and property acquisition procedures that may be unnecessary when using state funds. For example, projects with federal funds must conduct more extensive environmental studies under the National Environmental Policy Act (NEPA) standards compared to a state-funded project following state environmental statute. Non-CA agencies also typically pay for the extension of CA services either through a direct charge or a discount on the assigned federal funds.

What is De-TEA?

The Transportation Improvement Board calls its federal fund exchange activities "De-TEA." TEA refers to the common acronym in the past three federal transportation acts. The currently effective federal act is Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

Should all non-CA projects be de-federalized?

No. Projects that need federal resource agency permits due to impacts on fish bearing streams or other regulated features usually will not benefit from removing federal funds. De-TEA should only be used when the federal requirements are triggered because federal funds are in use rather than due to federally regulated features.

How does De-TEA work?

TIB buys federal spending authority from small agency projects and replaces it with state gas tax funds with no discount. TIB then allocates the acquired federal funds to CA agency projects to already federalized CA projects in exchange for state funds awarded through our annual grant programs.

Is De-TEA approved by federal authorities?

The Federal Highway Administration office in Washington State encourages De-TEA to promote the most efficient use of both state and federal funds. Some other states already offer de-federalization programs. California appropriates \$350 million to buy federal funds from local governments.

How much does De-TEA cost?

TIB would allocate \$5 million per year to exchange federal funds with state funds for non-CA agency projects. Allowing De-TEA for CA agency projects would require at least a \$100 million exchange account. An equal amount of federal spending authority would be acquired, resulting in no net cost.

How Much Would an Agency Save Through De-TEA?

Projects benefiting from De-TEA transactions would save on design, administration, property acquisition, and possibly construction costs. Total project savings are estimated at 5 to 15 percent. Because De-TEA projects are typically constructed faster, a savings occurs by avoiding probable inflationary costs.